



PATENT
411874-4 (Formerly MGANO 010A)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicants: PALATOV et al.

Serial No.: 09/506,261

Filed: February 17, 2000

Art Unit: 2611

Examiner: Hai V. Tran

Title: VIDEO CONTENT DISTRIBUTION
SYSTEM INCLUDING AN INTERACTIVE
KIOSK, A PORTABLE ELECTRONIC
STORAGE DEVICE, AND A SET-TOX BOX

DECLARATION OF PRIOR INVENTION TO OVERCOME CITED PATENT
(37 C.F.R. § 1.131)

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450


1. I am one of the inventors of the invention disclosed in this application.
2. This declaration is submitted to establish invention of the claimed subject matter of this application at a date prior to October 19, 1999, that is the effective date of U.S. Patent No. 6,192,340 (Abecassis), newly cited by the Examiner in the last Office Action dated October 5, 2005.
3. This declaration is submitted with a request for continuing examination (RCE) for the purpose of overcoming the rejection in the Office Action dated October 5, 2005.
4. The invention as defined by Claims 1-61 was conceived prior to October 19, 1999, and diligently reduced to practice from just prior to October 19, 1999 to a subsequent reduction to practice. To establish possession of subject matter according to the invention, and due diligence from just prior to the reference date

to a subsequent reduction to practice, the enumerated exhibits described below are submitted as evidence.

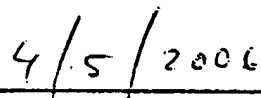
5. Exhibit A attached hereto is a true and correct copy of an e-mail generated by me dated June 15, 1999. This page shows a proposed prototype for a video content distribution system according to the invention. Exhibit A demonstrates possession by us of subject matter falling within the claimed invention, on a date prior to October 19, 1999.
6. Exhibit B attached hereto is a true and correct copy of an e-mail generated by me dated July 31, 1999. This page shows near completion of the prototype described in Exhibit A and diligence in reducing to practice prior to the filing date of February 17, 2000.
7. Exhibit C attached hereto is a true and correct copy of an e-mail generated by another one of the inventors, Steve Recek, dated October 20, 1999. This page shows the date of demonstration of a working prototype of the invention.
8. Exhibits A, B, and C together demonstrate that a video content distribution system according to the invention was reduced to practice three months after the initial prototype was described on July 31, 1999. The present application was filed on February 17, 2000.

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9. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

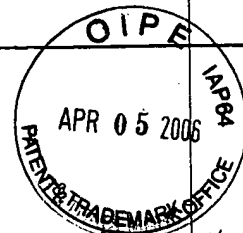


Dennis Palatov



Date

From: "Dennis Palatov" <palatov@randomresearch.com>
To: "Steve E. Recek" <srecek@home.com>; "Mike Bajc" <mbajc@home.com>
Sent: Tuesday, June 15, 1999 6:54 PM
Subject: movie wallet summary



The following are key specifications and features of the Movie Wallet as I see them. Please review your notes and comment/correct as needed. e-mail me any changes or comments BEFORE forwarding to ESAT, even if there are no changes....

dp

NOTE: - items in **bold** may not be included in prototype

Movie Wallet:

- MW will be based on a 2.5", 12mm harddrive of 6-8G capacity.
- There will be no provision for batteries, the device will only run in its docking station or kiosk.
- Data interface will be 1394 bus at 400Mbps (may be 200 for prototype only)
- Each device will have a unique serial number shared with its matching docking station
- Data will be stored in MPEG2 format
- A security handshaking protocol will be implemented, relying at least in part on serial number, to prevent unauthorized retrieval of data
- MW will incorporate the least amount of components needed to support the above functionality. No user display or controls will be provided.
- It is anticipated that a MW will hold 2 full-length movies in a single format

Wallet Dock:

- WD will provide the necessary circuitry to retrieve and decode MPEG2 data from MW, and to output it in NTSC and S-video format (may be NTSC only for prototype)
- Copy protection will be implemented by adding industry-standard Macrovision 7 (or later) signals to the output signal
- A standard IR remote control will be provided with normal VCR-like functions
- WD will have the capability to prevent use of any MW except one with matching serial number
- **On-screen configuration menu to set various options to be stored in MW (i.e. wide screen vs regular, surround sound, etc).**

ESAT Kiosk:

- Kiosk will be based on a standard Intel PCI motherboard running NT 4.0 and using the existing ESAT satellite card and software
- Kiosk will have the capability to simultaneously download movies to at least 2 MW devices
- Download time will be in the 1-2 minute range for a typical movie
- Data interface to MW will be 1394
- A software application and/or NT device driver will be provided to carry out security handshaking protocol and data transfer functions with MW as needed
- **Kiosk will have the capability to support electronic billing by uploading MW serial number information and corresponding rental information to a central database (typically in batch format once a day).**

From: "Dennis Palatov" <palatov@randomresearch.com>
To: "Steve E. Recek" <sreck@home.com>; "Mike Bajc" <mbajc@home.com>; "Bianchi" <dwhite@mail.com>
Sent: Saturday, July 31, 1999 12:04 PM
Subject: status update

guys, here is an update on the status. it isn't working yet :(i need more info from spase, have emailed pim - no reply yet

mechanical design:

- movie wallet: 100% complete, protos done and built
- dock adapter ('kiosk'): 100% complete, protos done and built
- player: 100% complete, protos done and built

hardware design:

- movie wallet: 100% complete, protos done and built
- dock adapter ('kiosk'): 100% complete, protos done and built
- player: 100% complete, protos done and built

software:

- system code: 80%
- mpeg code: 75%

debug and integration:

- movie wallet: 90%
- dock adapter ('kiosk'): 100% complete, protos done and built
- player: 50%

unfortunately i cannot provide a firm completion date. generally, i have software running on the player, and i am able to upload new software and store it in flash. it is communicating over the serial port. the remaining issues are:

- debug wallet access from player (access from dock adapter works fine)
- implement and test IR
- implement and test LCD display
- test and debug SPASE chip interface
- integrate and test SPASE application code (i am able to compile and download it, but it does not run yet)

at this point i am GUESSING mid-week, perhaps wednesday...

dp

From: "Steve Recek" <sreck@mindsat.com>
To: "Dennis Palatov" <palatov@randomresearch.com>
Sent: Wednesday, October 20, 1999 2:07 PM
Subject: MW

Hello Dennis,

Got delayed a day for the demo, we are doing it today at 2:00 PM.
Will send back today for tomorrow morning delivery.

Hope all is well!

Steve

□□□□,

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